

## Message Text

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ACTION ARA-20

INFO OCT-01 ISO-00 AGR-20 EB-11 AID-20 IGA-02 TRSE-00

OMB-01 CIAE-00 INR-10 NSAE-00 RSC-01 SPC-03 L-03

COME-00 DRC-01 /093 W

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R 162036Z JAN 74

FM AMEMBASSY BUENOS AIRES

TO AMEMBASSY LA PAZ

INFO AMEMBASSY BRASILIA

AMEMBASSY LIMA

AMEMBASSY SANTIAGO

AMEMBASSY ASUNCION

SECSTATE WASHDC 4996

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PASS USDA/FAS FOR GRAIN & FEED DIV FROM AGATTACHE

E.O. 22652: N/A

TAGS: EAGR, EAID, BR, AR, CI, BL

SUBJECT: AGRICULTURE: WHEAT AND FLOUR PRICES

REF LA PAZ 180 AND LA PAZ 2806

1. FOLLOWING INFORMATION KEYED TO QUESTIONS IN REFTTEL:

A. WHEAT FLOUR AT MILL PRICED AT ABOUT U\$S 97 PER TON.

B. NATIONAL GRAIN BOARD, SOLE PURCHASER OF WHEAT AT \$67 PER TON, RESELLS WHEAT AT \$57 PER TON TO MILLS SO THAT RETAIL PRICE OF BREAD MAINTAINED BELOW RETAIL CEILING PRICE.

C. REVENUE FROM WHEAT EXPORTS EXCHANGED AT COMPOSITE RATE OF 8.65 PESOS TO 1.00 US DOLLAR. THIS IS COMBINATIN BASED ON 26 PERCENT OF COMMERCIAL RATE (5 PESOS EQUALS US 1.00) AND 74 PERCENT OF FINANCIAL RATE (9.93 PESOS EQUALS US 1.00).

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ALSO, WHEAT EXPORTS TAXED AT RATE OF 36.55 PERCENT WHICH IS ABOUT US 67.62 PER TON AT PRESENT WORLD PRICE LEVEL.

D. AS NATIONAL GRAIN BOARD CONTROLS ALL WHEAT SUPPLIES ALL WHEAT EXPECTED TO BE MARKETED BOTH LOCALLY AND ABROAD ONLY BY GRAIN BOARD DURING 1973/74 SEASON. IF PRIVATE TRADERS WERE PERMITTED TO EXPORT WHEAT GRAIN BOARD WOULD LIKELY SELL THEM WHEAT SUPPLIES AT FOB POSITION ONLY.

E. WHEAT/WHEAT FLOUR IMPORTS BY PRIVATE TRADERS NOT PERMITTED BY GOA. WHEN IMPORTS NEEDED NATIONAL GRAIN BOARD ISSUES STATE TENDER.

F. NO SUBSIDY ON WHEAT/WHEAT FLOUR EXPORTS. IN FACT, REVERSE SUBSIDY IN FORM OF LOWER EXCHANGE RATES AND HIGH EXPORT TAXES USED (SEE C ABOVE).

2. SINCE PRICE OF WHEAT FIXED AT ROUGHLY ONE-THIRD OF WORLD PRICE WHEAT/WHEAT FLOUR USUALLY EXPORTED IN CONTRABAND TO BOLIVIA, PARAGUAY AND URUGUAY.  
KREBS

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** WHEAT, EXPORTS, FLOUR, PRICE DATA, SUBSIDIES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 16 JAN 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** MorefiRH  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974BUENOS00397  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** n/a  
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**Handling Restrictions:** n/a  
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**Office:** ACTION ARA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** LA PAZ 180 AND LA PAZ 2806  
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**Review Content Flags:**  
**Review Date:** 06 SEP 2002  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** AGRICULTURE: WHEAT AND FLOUR PRICES  
**TAGS:** EAGR, EAID, BR, AR, CI, BL  
**To:** LA PAZ  
**Type:** TE  
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